

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 22, 1995

SUBJECT: **SB 236 - HB 1087**

This bill, if enacted, will abolish the Department of Youth Development and create the Department of Children's Services as its successor. The bill provides for the transfer of functions from other departments to the new department and are as follows: *child protective services, child foster care services and adoption services* from the Department of Human Services; the *Office of Children's Services* from the Department of Finance and Administration; the *Tennessee Preparatory School* from the Department of Education; *managed care for children* from the Department of Health; and *case management for children* from the Department of Mental Health and Mental Retardation.

Funds for all of the administration and direct services provided to the children affected by the provisions of this bill are currently budgeted in the Children's Plan (allotment code 359.00) within the Department of Finance and Administration. To cover all of their expenditures, the departments involved in the Children's Plan currently receive interdepartmental revenue from the 359.00 allotment code. The original source funding (state, federal and other) is budgeted in 359.00. Corresponding amounts of interdepartmental revenue are budgeted in each department which they *earn* from 359.00 based on their actual expenditures. All funds budgeted in 359.00, which total \$414,563,700 in the

Governor's FY 1995-96 budget, will be transferred to the new Department of Children's Services under provisions of the bill.

In addition to the funding, there will be a reallocation of 3,023 positions from the state departments affected into the new department. Details of this funding and positions to be transferred are as follows:

Amount to Transfer to New Department of Children's Services from the Department of Finance & Administration - Children's Plan:

| Total | State | Federal | Other |
|---------------|---------------|----------------|---------------|
| \$414,563,700 | \$138,634,500 | \$92,772,600 | \$183,156,600 |

Positions to Transfer to New Department of Children's Services

| <u>Allotment Code</u> | <u>Allotment Name</u> | <u>Positions</u> |
|------------------------------------|---------------------------|---------------------|
| DYD | | |
| 340.01 | Administration | 79 |
| 340.05 | Field Services | 255 |
| 340.10 | Wilder | 170 |
| 340.15 | Taft | 218 |
| 340.20 | Woodland Hills | 165 |
| 340.25 | Mountain View | 207 |
| 340.30 | Community Residential | <u>172</u> |
| Total from DYD | | 1,266 |
| DHS | | |
| 345.01 | Administration | 36 |
| 345.16 | Field Operations | 256 |
| 345.40 | Social Services | <u>1,140</u> |
| Total from DHS | | 1,432 |
| Education | | |
| 331.94 | TN Preparatory School | 248 |
| F & A | | |
| 317.08 | Children's Services | 59 |
| Health | | |
| 343.54 | Managed Care for Children | 9 |
| MHMR | | |
| 339.05 | MH Service Administration | 9 |
| TOTAL POSITIONS TO TRANSFER | | <u>3,023</u> |

The fiscal impact from enactment of this bill is estimated to be a one-time increase in state expenditures resulting from the transfer of functions and reorganization of the affected departments as set out in this bill. However, we estimate the amount of increase to be not significant and estimate that such increase can be funded with existing resources of the affected departments.

In determining the fiscal impact of this bill, the following general assumptions have been made:

- There will be no increase in total state positions as a result of this reorganization.
- All adoption and post-adoption services will be transferred from the Department of Human Services to the new Department of Children's Services.
- All Interstate services now provided by DHS for children who may not fall into the categories of unruly, delinquent, or dependent and neglected children would be transferred to the new department.
- Due to the small amount of total child care (day care) involved in the Children's Services program as opposed to other programs such as AFDC, JOBSWORK, Transitional, At-Risk, CCDBG, and SSBG, child care (certificates, grants and licensing) will remain in the Department of Human Services.
- The designation of *law guardians*, as described in Section 11, are permissive under the bill as written and are not required.
- Adult Protective Services will remain in the Department of Human Services
- Staff/positions in the Department of Mental Health and Mental Retardation that are specifically responsible for the casework for children committed to the custody of MHMR will be transferred to the new department.
- Staff/positions in the Department of Health in the Managed Care for Children Section will be transferred to the new department.
- Staff/positions in the Office of Children's Services Administration in the Department of Finance and Administration will be transferred to the new department.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director